

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 599

February 9, 2021

SUMMARY OF BILL: Authorizes human resource agencies (HRAs) to obtain insurance coverage in lieu of surety bonds for certain officials.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 13-26-110:
 - Board members, policy council members, employees, and officers of an HRA handling public funds must obtain a surety bond; and
 - The amount of surety bond required is dependent upon the amount of revenue handled by the HRA.
- The proposed language would authorize HRAs to obtain a blanket insurance policy with certain coverage provisions covering all applicable officials of the HRA.
- In the event an HRA opts to pay for insurance coverage rather than surety bond coverage, it may result in a decrease in expenditures for the HRA; however, while the premium for insurance policies may be lower than that paid for surety bond coverage, insurance policies have coverage limits and deductibles. The net impact to local governments purchasing insurance policies in lieu of surety bonds is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic".

Bojan Savic, Interim Executive Director

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